

**CHATEAUX CONDOMINIUMS ASSOCIATION
ANNUAL OWNER'S MEETING
AUGUST 15th, 2015
THE CHATEAUX CONDOMINIUMS CLUBHOUSE
MT. CRESTED BUTTE, COLORADO
www.chateauxcb.org**

Call to Order

The meeting was called to order by the Board President, Jack Patton, at 4:10 PM.

Roll Call/Establish Quorum: Members Present in Person

Name	Unit #
Allen Brady	103
David Griffith	106
Snow	108
Theresa and John Brooks	203
Jack Patton	303
Shay Wycoff	304
Nigel Jones	312
Kyle McLarney	401
Rory & Mary Baruth	407
Charlie and Diane Fischer	410
David & Kelly Sudderth	501
Chuck & LeAnn Spinks	502
Deb Schultheis	505
Bob Hollywood	507
Bill Hoitink	508

Members Represented by Proxy

Jack Patton proxy for:

Wheaton	211
Gross	409
Scroogie	411
Barker	412
Adams	504 & 511

Theresa Brooks proxy for:

Wenstrup	206
Doyle	208
Aton	209
Dobson	305

Rory Baruth proxy for:

Federico	104
Sanders	107
Boenig	110
Robinson	202
Brough	210
Young	307
Burke	402
Dickerson	509

Allen Brady proxy for:

Darab	101
Cameron	102

A quorum was established with 57% of the membership represented in person or via proxy.

Board Members Present: Jack Patton
Bill Hoitink
Theresa Brooks
Rory Baruth
Management Company Present: Danny Myers

Reading and Approval of Past Minutes – August 15, 2014

Motion: By Bob Hollywood to waive formal reading and accept minutes as submitted.
Seconded: LeAnn Spinks
Vote: Unanimous Approval

REPORTS

President's Report

Jack had all the owners introduce themselves and thanked them for attending our annual HOA meeting. Jack reminded owners that remodeling with the new decks, rock-work, windows, siding and entry landscaping occurred approximately 8 years ago. Since then, the Chateaux has added more trees and replaced a portion of the railroad tie wall with granite boulders along the lower bus loop. With the railroad tie wall deteriorating below the E building at the Gothic exit of the bus loop, it is time to fortify that section, again with granite boulders. Jack then shared photos of the new landscaping rock-garden project that Theresa completed this summer along the stairs to Gothic, where two new aspen trees were also recently planted, one right along the walkway to help create a canopy effect once the tree grows more.

Jack reminded owners that we now have over 30 indoor spots to hang bicycles at the clubhouse bike barn and the firewood closets in each building. Bicycles are not allowed on the decks or in the condos or hallways.

As was suggested at last year's annual meeting, one of the stairways in a building (B) had the carpet removed and replaced with rubber steps as well as rubber tile on the landings. This material held up well through the winter, was found to not be excessively noisy, and was easier to keep clean than the carpet. We will look to replace the carpet on the stairs of the other buildings over the next few years.

Financial Report

Jack reviewed the un-audited year-end 2014-15 income and expense report distributed to those present. The Association ended the year with a positive net margin, with income (primarily our \$475 per unit monthly dues) exceeding operating expenses by \$33,000. A \$14,000 savings was seen in our snow removal budget this year due to a lower than average snow year. The other expense areas that were under-budget included utilities, firewood expenses, and pool repairs. We also did not have to spend any of our \$12,000 annual operating contingency budget which we had budgeted in case of unexpected expenses (for example: extra common-area heat expenses from colder than anticipated weather or extra snow removal expenses due to big snow years).

This past year, the Association budgeted \$50,000 to be transferred to our Capital Fund to cover our non-annually recurring large future and present capital expenses. The Board was able to complete this budgeted transfer at their Board meeting. The Board also transferred (to our Capital Fund) the operating carryover from 2013-14 that was available during 2014-15 to balance that budget. Looking at our 2015-16 budget, \$20,247 will be needed to balance this next-fiscal-year budget. Increased expenses have

been budgeted in Insurance, Water/Sewer, Natural Gas, and Contingency. Reviewing our budgeted revenue, \$342,000 of our budgeted \$358,000 comes from monthly dues, \$3,500 from Clubhouse rental, \$6,600 from washer and dryer use, \$1,900 from the rental of supplemental owners closets, and \$3,600 from our \$7 per night short-term rental fee. The owners were reminded that the \$7 fee is to cover the additional services we provide to accommodate renters (for example: upgraded internet service), as well as the additional expenses incurred by the HOA due to renters (for example: higher common area utility expenses, higher pool maintenance needs, and higher common area housekeeping costs). A majority of the owners who choose to occasionally rent their units to short-term vacationers are paying their rental usage fees. We will include a reminder of this fee to all owners in an upcoming monthly statement and/or newsletter.

The Board asked the owners to affirm an Owners' Resolution to apply \$20,247 of our 2014-15 operating surplus to our 2015-16 Association budget.

Motion: By Chuck Spinks to apply \$20,247 from 2014-15 operating surplus to 2015-16 operating budget.

Seconded: Kelly Sudderth

Vote: Unanimous Approval

The Board will allocate the remainder of the 2014-15 operating surplus to the Capital Fund.

Danny reviewed our Capital Reserve Fund income and expenses for the year. The fund was increased by \$50,000 from our monthly Dues capital allocation and \$34,000 from operating surpluses the past 2 years. Our capital expenses for the year totaled \$15,000, which included re-staining the decks skirts on all 60 decks, painting more of the roof drip-edge fascia, and replacing the stairway carpet in building B with rubber tread. As is regularly the case, several budgeted capital projects did not need completing this year; those projects and funds (\$52,000) were deferred for future years.

Our Capital Budget for 2015-16 shows \$52,000 in potential projects. As in past years, \$20,000 of that is Capital Contingency (used for un-anticipated, un-funded, or under-funded capital projects). The painting of the parking lot with sealcoat wasn't able to occur this spring due to excessive rain, but will be completed this month. This project occurs every 3 years. We plan to replace the pool cover next spring, as well as replace a washing machine in Building A this year. Similar to last year, potentially deferred items include: several new washers and dryers and their hot water heaters, new furniture for the clubhouse, and new heaters for the saunas.

An owner asked when our aluminum roofs are scheduled to be replaced. We anticipate them lasting at least another 10 years. We have added this cost to the Capital Budget to work toward ensuring that money is available when this expenditure is necessary.

OLD BUSINESS

Chateaux Website/Homeowner Contacts

Owner contact information will be available on the website to any owner who also wants to share their contact information. Owners who provide their contact information will receive a password to access contact information provided by other owners.

NEW BUSINESS

Internet Upgrade

Due to the increased number of electronic devices that travel with owners and guests at the Chateaux, we will be doubling the speed of our wireless internet service this fall to accommodate the increased

usage. Several owners have chosen to purchase their own private internet service through our cable TV provider, Time Warner Cable. The cost is approximately \$40 per month.

Retaining Wall Replacement

As discussed earlier, the Board has authorized a Capital Project that will supplement the deteriorating railroad tie wall below the E Building with a granite boulder wall. The cost is estimated to be \$80,000. This money is available in our Capital Fund. The project is scheduled to take place in June 2016.

OWNERS' OPEN FORUM

Marcellina Apartments

The Marcellina Apartments are now the Timbers Condominiums. The owner of the building is renovating all 44 units in the building, adding a walk-out deck to each, and making them available for purchase. We plan to share the trash dumpsters with the Timbers, as the dumpsters are on their property. We will research what easements are in place regarding their access to the dumpsters. We expect that they will light both their stairs and the dumpster area. Their website indicates they will have their own hot tub area. The Timbers should be completed in the spring of 2016.

Pool Usage

Many families visit the Chateaux during the summer and enjoy using our pool area. Our rules require all children under 12 to be supervised by an adult. While non-residents periodically attempt to use the pool, we have signs posted that state un-authorized use is considered trespassing and violators will be prosecuted. We lock the pool area each night and engage an alarm; these rules and security measures have reduced un-authorized use substantially over the past 6 years.

Sub-Committees

An owner asked if the Association has any committees in addition to the Board. While we currently do not, the Board felt getting input on upcoming Capital items, like paint color for the exterior of the buildings, would be an opportunity to create a committee and enlist additional input into the operation of the Association.

Election of Officers

One 3-year Board seat, currently held by Theresa Brooks, is up for election; Theresa indicated her willingness to serve again. Barbara Cameron and Ashton Wyckoff were also nominated. There being no additional nominations, nominations were closed. Following a paper ballot vote of owners present and held proxies was held, two owners (Kelly Sudderth and Nigel Jones) were asked to collect and count the ballots. Theresa Brooks was re-elected to the Board. Jack thanked Barbara and Ashton for their interest in the Board.

Establish Date of Next Annual Meeting

The next annual meeting was not yet scheduled. In recent years, the meetings have been in mid-August. Danny will research whether a time earlier in the summer might be just as well received.

Adjournment

Association President, Jack Patton, adjourned the meeting at 5:45 PM. A BBQ for homeowners followed the meeting.

Approval:

Theresa Brooks
Chateaux Secretary

Date